

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: BUSINESS PROPERTIES	DOCKET NO. WRU-00-57
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ORDER GRANTING WAIVER

(Issued November 9, 2000)

On August 8, 2000, William R. Lanphere, d/b/a Business Properties, filed with the Utilities Board (Board) a request for waiver of 199 IAC 20.3(1)"b" regarding individual metering requirements for electric service provided to a multioccupancy premise. Specifically, Mr. Lanphere requested the Board allow him to install electric master metering for a commercial office building located at 620 Michigan Street, Storm Lake, Iowa. No objections to the waiver request were filed.

In support of his request, Mr. Lanphere stated the building can be used by up to 12 commercial tenants. The building has centralized heating and air conditioning. The offices currently range in size from 75 to 400 square feet. However, because the building has been used as start-up quarters by several businesses, it is likely that the building will be constantly reconfigured due to turnover and changing needs of tenants. Of the current tenants, six pay for utilities as part of the rent. Three pay individually for utility service, but Mr. Lanphere states these three tenants agree with his request to change to single or master meter service.

The Board's rules generally provide, with significant exceptions, for individual metering of multioccupancy premises. IOWA ADMIN. CODE 199-20.3(1)"b" provides, in part:

All electricity delivered to multioccupancy premises where units are separately rented or owned shall be sold by a utility on the basis of individual meter measurement for each unit except for that electricity used in centralized heating, cooling, or water heating systems, where individual metering is impractical, where a facility is designated for elderly or handicapped persons and utility costs constitute part of the operating cost and are not apportioned to individual tenants, or where submetering or resale of service was permitted prior to 1966.

The Board finds Mr. Lanphere's request is consistent with the criteria set forth in paragraph 20.3(1)"b" for master metering and, therefore, will grant the request for waiver. The building has centralized heating and cooling for the entire building, not just the common areas. In addition, the leased space must often be reconfigured to deal with turnover or changing tenant needs. Maintaining individual metering could require rewiring portions of the building each time space must be reconfigured. Particularly for new businesses, this is a significant expense. All these factors make it impractical to require Mr. Lanphere to use individual metering. However, Mr. Lanphere is reminded that utility costs constitute part of the operating cost of the building and cannot be directly apportioned to individual tenants other than as an undefined portion of the tenant's rent.

IT IS THEREFORE ORDERED:

The request for waiver filed by Business Properties on August 8, 2000, is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 9th day of November, 2000.